

State Designation

The MHCC convened an MSO Advisory Panel that developed the criteria for State Designation. The criteria outline the requirements for MSO State Designation and assesses privacy and confidentiality, technical performance, business practices, resources, security, and operations of MSOs. Below is a list of key criteria. For specific MSO criteria details, please visit: http://mhcc.maryland.gov/electronichealth/mso_index.html

KEY MSO CRITERIA COMPONENTS - April 2010	
Technical Performance	
Customer service inquiries	
System availability	
Compliance with industry standards	
Capacity monitoring and management	
Auditing mechanism	
Storage and retrieval	
Internet access	
Business Practices	
Truth-in-advertising	
Access to a certified EHR	
Service level agreements	
Resources	
Physical	
Personnel	
Security	
Administrative safeguards	
Physical safeguards	
Technical safeguards	
Compliance with HIPAA	
Policies and procedures documentation	
Operations	
Meet REC performance requirements	
EHR implementation support	
Assistance to meet <i>meaningful use</i>	
Technical assistance	
Provider satisfaction survey	

Application Process

In order to be considered for MSO State Designation applicants are required to submit documentation related to privacy and security policies and procedures specified in the application. Upon review of the application, the MHCC will provide Applicants with a disposition letter advising them of their Candidacy Status. Applicants will have 12 months from the date of their Candidacy Status notification to complete a self-assessment manuscript and undergo a site visit of their network operating center(s) by a nationally recognized accrediting organization identified by the MHCC. The MSO State Designation application is available at: http://mhcc.maryland.gov/electronichealth/mso/mso_application_050310_final.pdf

The Regional Extension Center

CRISP was awarded \$6.4 million through the Office of the National Coordinator for Health IT to implement the Regional Extension Center (REC) for Maryland. An MSO that receives State Designation can partner with the REC. The REC is tasked with assisting 1,000 priority primary care providers to implement and become meaningful users of EHRs. The REC will support MSOs as they provide the local assistance to these providers. For more information about the REC, please visit: <http://crisphealth.org/REC/tabid/106/Default.aspx>

For more information visit:
<http://mhcc.maryland.gov/>



Marilyn Moon, Ph.D.
Chair

MARYLAND
HEALTH CARE
COMMISSION

4160 Patterson Avenue
Baltimore, Maryland 21215

Rex W. Cowdry, M.D.
Executive Director



MANAGEMENT

SERVICE

ORGANIZATIONS



**An innovative approach
to EHR adoption**

Management Service Organizations

Management service organizations (MSOs) have emerged as a way to address the challenges associated with provider adoption of electronic health records (EHRs). These challenges include the cost and maintenance required for the technology, and the responsibilities that accompany the storage of electronic data privacy and security. Unlike the traditional EHR client-server model where the data and technology is hosted locally at the provider site, MSOs offer EHRs hosted in a centralized secure data center and assume the responsibility of managing privacy and security of electronic data.

MSOs and the HIT Initiative

EHRs are a vital component of a statewide health information exchange (HIE) and, eventually, a Nationwide Health Information Network. Below is a simple representation of how multiple physicians adopting EHRs through an MSO can then exchange information through the statewide HIE.



Although only four MSOs are represented here several MSOs could potentially compete to host EHR products for providers, connecting them to the HIE.

MSOs and Physicians

The Benefits of MSOs

- MSOs can be collaborations among provider groups, hospitals, or other entities that work together to mitigate the costs associated with acquiring EHRs and other services
- Providers can access their patient's records wherever Internet access exists
- Capital investments often required when adopting EHRs may be lessened
- MSOs assume the vendor negotiating role
- MSOs can secure more favorable pricing for their subscribers
- Health information is safeguarded through a data center that, by design, ensures high quality and uninterrupted service
- Technical support typically extends beyond standard business hours, and some MSOs may offer 24/7/365 support
- MSOs will offer connection to the statewide HIE

Costs and Savings

- MSOs typically offer their services on a monthly subscription basis
- Hosted EHR services average about \$566 per provider per month
- Comparatively, the average cost of a client server EHR system is around \$53,000 per physician over three years; the average cost of a hosted EHR is around \$28,800 per physician over three years



Maryland Legislation House Bill 706

The Maryland General Assembly passed House Bill 706, *Electronic Health Records - Regulation and Reimbursement* (HB 706), which was signed into law in May 2009. HB 706 is aimed at expanding the adoption of EHRs through incentives from state-regulated payers to providers to use certified EHRs that are capable of connecting to a HIE. The law requires:

- The designation of a statewide HIE by October 1, 2009
- State-regulated payers to provide incentives to health care providers to promote the adoption of EHRs
- Health care providers using EHRs that seek payment from a state-regulated payer must adopt EHRs that are certified and capable of connecting to the HIE by January 1, 2015
- The MHCC to designate one or more MSOs by October 1, 2012

The MHCC designated the multi-stakeholder group the Chesapeake Regional Information System for our Patients (CRISP) to build the statewide HIE. A number of candidate organizations have applied for MSO State Designation. The MHCC, in consultations with stakeholders, developed an EHR incentive program where providers may apply for payer incentives for adopting certified EHRs. Practices may seek additional monetary incentives if they adopt a certified EHR through a state designated MSO and connect to the HIE.

House Bill 706 is located at:

<http://mlis.state.md.us/2009rs/bills/hb/hb0706t.pdf>